

FISCAL NOTE

Financial Impact - Cannot be determined. The proposal to amend the Nevada Constitution would provide for a reduction or elimination of taxes on property used in a manner that conserves water. Approval of this proposal could result in an indeterminate loss of property tax base to the state and local governments.

QUESTION NO. 6

Amendment to the Nevada Constitution

Senate Joint Resolution No. 14 of the 68th Session

CONDENSATION (ballot question)

Shall the Nevada Constitution be amended to authorize an abatement of taxes on property used in a manner that conserves water?

Yes ☐
No ☐

EXPLANATION

The proposed amendment to the Nevada Constitution authorizes the Legislature to provide for the reduction or elimination of taxes on property developed in a manner that conserves water. For example, water efficient landscaping, such as xeroscaping or other similar features, may qualify for a reduction or elimination of property taxes. If the amendment is approved, the Legislature may establish guidelines for the uses of property that qualify for a reduction of taxes.

ARGUMENTS FOR PASSAGE

Nevada is the driest state in the nation. Water conservation is essential, especially as the population continues to increase. Rather than governments mandating conservation measures, the proposed amendment allows the Legislature to provide a tax incentive to encourage people to conserve water voluntarily. Conservation of currently available water reduces the need to seek expensive new water supplies from outside the state and reduces the costs of infrastructure to transport and treat this water. Finally, any possible loss in the property tax base may be compensated by the cost savings realized by local government through the reduced demand for water which alleviates the need for changes in infrastructure based on the water supply.

A "Yes" vote would allow the Legislature to authorize a reduction or elimination of taxes on property used in a manner that conserves water.

ARGUMENTS AGAINST PASSAGE

If the savings from conservation are not greater than the undetermined loss to the property tax base, passage of the amendment would result in an overall decrease in the property tax revenue of state and local governments.

A "No" vote would prohibit the Legislature from authorizing a reduction or elimination of taxes on property used in a manner that conserves water.